

PEOPLES ENERGY

Peoples Gas
North Shore Gas

August 14, 2001

Triad Management, Inc.
C/O Mr. David I. Korman
5901 N. Cicero Avenue #404
Chicago, IL 60646

Re: 46 N. Parkside Avenue
Account #9 5000 1289 2355

Dear Mr. Korman:

This letter is a follow-up to our conversation on yesterday. I have reviewed your account and following are the events that occurred from the inception of your account to present.

Gas service was turned on August 28, 1998. The estimated reading used to begin service was 82718. I have reviewed our microfilmed records of the account to determine if any readings were obtained during this time. Our records indicate that a Company reading was obtained on September 10, 1998 and September 28, 1998.

I have performed a degree day analysis to determine the accuracy of the first reading. A degree day analysis is a prescribed method of calculating a bill when a reading is not obtained on a requested date. The Illinois Commerce Commission approves this method of calculating a reading.

The analysis proves that the reading that your account began at is accurate. Based on the analysis the beginning reading should have been 82628 instead it was started at 82718, a difference of 90 CCF'S in your favor.

Your account billed forward from August 28, 1998 through November 15, 2000 to estimated readings. The last estimated reading was 14164.

On January 12, 2000 a complaint was lodged by a L. O'Neil to have the meter reading and meter number verified. Our serviceperson made a visit to the premise on January 14, 2000. The reading was verified to be 22893 and the meter number was verified to be 1636799. If corrections had been made at that time you would have been rebilled for a total of 40,175 CCF'S. There are no notations on record as to why the account was not corrected at that time.

On November 25, 2000 you spoke with one of our representatives and scheduled an appointment to have the meter read. The request was completed on December 14, 2000. The reading

obtained on December 14th was 42063. The reading caused an automatic rebilling of the account back to August 28, 1998. The automatic rebilling took place this time and not in January 2000 because of a new billing system installed in February 2000.

All bills from August 28, 1998 through November 15, 2000 were cancelled totaling 31,446 CCF'S being removed and the account was rebilled from August 28, 1998 through December 12, 2000 for a total of 59,345 CCF'S. The corrected bill totaled \$34,582.92. After all your payments and credits were applied the remaining balance was \$16,220.52.

The bills from January 15, 2001 through May 16, 2001 were again estimated. The meter reading on June 15, 2001 was 55767. All bills from January 15th through May 16th were cancelled because they were underestimated. A total of 4,337 CCF'S were removed and the account was rebilled for 13,704 CCF'S.

The correction on June 19th resulted in a corrected bill of \$14,777.74. We applied payments and credits to the balance of the corrected portion of the bill leaving a balance of \$10,297.10. In addition we show a previous balance of \$19,634.57 resulting in a total due of \$29,931.67.

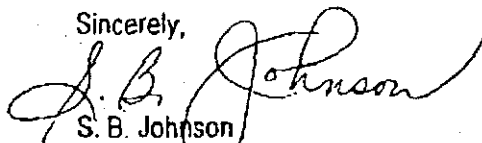
Please be assured that each time a rebilling of your account took place the gas was redistributed over the periods during which the gas would have been used had a reading been taken. Again this process was done by a degree day analysis.

Our Marketing Department has researched your request for decentralization of the building in order that your tenants pay for their own gas usage. We sent representatives Ms. Casey and Mr. Kelly from our Marketing Department along with Mr. Klein from our Service Department to meet with you and your maintenance worker Mr. Sanders on June 15th. Ms. Casey's report states that you are to contact her with your decision after speaking with the other owners of the property. Her report also states that this is a 21-unit building in need of some weatherization and the tenants are using their ranges for additional heat during the winter months which would cause higher gas usage.

On July 6th a meter change was completed at Ms. Casey's request. The meter was tested by the City of Chicago on July 31st. The test results is your assurance and ours that you have been billed for gas that flowed through the meter. A copy of the test results are included.

Please feel free to fax any additional questions or concerns to me at (312) 240-4370. A copy of this correspondence is being forwarded to Mr. Patrick's Office for his files. The opportunity to be of assistance is appreciated.

Sincerely,


S. B. Johnson
Special Services

Encl.